

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE PETITION OF)
NORTHERN STATES POWER COMPANY DBA)
XCEL ENERGY FOR APPROVAL OF)
DEFERRED ACCOUNTING FOR CERTAIN)
BIOMASS TRANSACTION COSTS)**

**ORDER APPROVING
DEFERRED ACCOUNTING
TREATMENT

EL18-027**

On May 31, 2018, the South Dakota Public Utilities Commission (Commission) received a Petition by Northern States Power Company dba Xcel Energy (Xcel) requesting the approval of the use of deferred accounting and the establishment of regulatory assets for certain biomass and biogas transactions. If approved, Xcel would defer recognition of transactional costs, as well as associated plant closing and related costs, in conjunction with the termination of two biomass power purchase agreements and one biogas power purchase agreement.

On June 7, 2018, the Commission electronically transmitted notice of the Petition and the intervention deadline of June 22, 2018, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. The Commission has jurisdiction in this matter pursuant to SDCL 49-34A-7 and ARSD 20:10:13:48.

At its regularly scheduled meeting on June 26, 2018, the Commission considered this matter. Xcel acknowledged that the deferral accounting method and the resulting creation of a regulatory asset shall not preclude Commission review of these amounts and any future cost recovery for reasonableness. Commission staff recommended approval. The Commission voted unanimously to approve the relief requested in the Petition with conditions. It is therefore

ORDERED, that Xcel's Petition is approved subject to the following conditions:

- 1) that the deferral/amortization accounting method and the resulting creation of a regulatory asset (the deferred balance) shall not preclude Commission review of these amounts for reasonableness and possible disallowance of the rate recovery in any determination of rates, including both rate filings by the company and rate reviews initiated by the Commission;
- 2) that this allowance of a deferral/amortization accounting method and the resulting creation of a regulatory asset, after the related costs have been incurred, is not to be interpreted as allowing future post expenditure deferrals; and
- 3) that the Commission's decision in this case is based on the facts of this case and any future allowance of the deferral/amortization accounting method and the resulting creation of a regulatory asset must be approved by the Commission.

Dated at Pierre, South Dakota, this 28th day of June 2018

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.
By: <u>Karen E. Bremer</u>
Date: <u>06/28/18</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Kristie Fiegen
KRISTIE FIEGEN, Chairperson

Gary Hanson
GARY HANSON, Commissioner

Chris Nelson
CHRIS NELSON, Commissioner